

Message Text

LIMITED OFFICIAL USE POSS DUPE

PAGE 01 TOKYO 00778 200302Z

20

ACTION EA-09

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03

SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15

STR-04 CEA-01 L-03 H-02 PA-01 PRS-01 AGR-05 /101 W

----- 044360

R 200225Z JAN 76

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 6188

INFO USMISSION OECD PARIS

LIMITED OFFICIAL USE TOKYO 778

E.O. 11652: N/A

TAGS: ELAB JA

SUBJ: UNEMPLOYMENT SITUATION IN JAPAN

REF: A. TOKYO 566, B. 75 TOKYO 12767

1. ALTHOUGH RECENTLY PUBLISHED NOV UNEMPLOYMENT FIGURES, SHOWING 970,000 OR 1.8 PERCENT OF LABOR FORCE UNEMPLOYED, (REF A) ARE VIRTUALLY IDENTICAL TO THOSE OF PRECEEDING 3 MONTHS, WE NOTE DRAMATIC SHIFT DURING LAST MONTH IN ATTITUDES OF MANY SENIOR GOJ OFFICIALS TOWARD UNEMPLOYMENT PROBLEMS. IN DISTINCT CONTRAST WITH OFFICIAL STATEMENTS OF LAST FALL, DOWNPLAYING SIGNIFICANCE OF UNEMPLOYMENT AND CONTINUING TO STRESS DANGERS TO ECONOMY AT RENEWED INFLATIONARY SPURT, GOJ TOP LEADERSHIP NOW ADMITS THAT PUBLISHED UNEMPLOYMENT STATISTICS, SERIOUS IN THEMSELVES, HAVE DISGUISED GRAVITY OF PROBLEM.

2. SENIOR MIN LAB OFFICIALS WERE STILL ARGUING IN SEPT (REFTEL B) THAT MEDIA, PARTICULARLY BUSINESS ORIENTED JAPAN ECONOMIC JOURNAL (NIHON KEIZAI), WERE EXAGGERATING SIGNIFICANCE OF UNEMPLOYMENT FIGURES IN MONTHLY ECONOMIC

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 TOKYO 00778 200302Z

INDICATORS IN ORDER TO PUSH GOJ INTO ADOPTING MORE EXTENSIVE AND POSSIBLY INFLATIONARY ECONOMIC PUMP-PRIMING MEASURES.

BY MID-DEC, HOWEVER, LAB MIN ABANDONED ITS CAUTIOUS ANTI-INFLATIONARY APPROACH. MINISTER OF LABOR HASEGAWA WARNED PUBLICLY THAT, UNLESS GOJ INCREASED SPENDING ON PUBLIC WORKS PROJECTS, UNEMPLOYMENT FIGURE MIGHT REACH 1.1 MILLION IN JAN 76. IN HIS NEW YEAR'S REMARKS TO JAPANESE BUSINESS ORGANIZATIONS, DEP PRIMIN FUKUDA PUBLICLY ACKNOWLEDGED SERIOUSNESS OF CONTINUED HIGH UNEMPLOYMENT (IN JAPANESE TERMS). VICE MIN LAB DOSHO ON JAN 13 ECHOED LAB MIN'S WARNING WITH PREDICTIONS THAT MAR 1976 OFFICIAL UNEMPLOYMENT FIGURE WOULD REACH 1.3 MILLION. OTHER LAB MIN OFFICIALS NOTE THAT GOJ STATISTICS SERIOUSLY UNDERESTIMATE PROBLEM BY EXCLUDING NOT ONLY WORKERS WHO HAVE WITHDRAWN FROM LABOR FORCE (WOMEN, SEASONAL WORKERS) BUT ALSO THOSE ON TEMPORARY FURLOUGH (I.E. RECIPIENTS OF EMPLOYMENT ASSISTANCE BENEFITS UNDER 1974 LAW), FARMERS AND PERSONS LOOKING FOR WORK WHO RECEIVED PAY FOR AT LEAST ONE HOUR OF WORK DURING SURVEY WEEK.

2. AT LEAST TWO FACTORS RESPONSIBLE FOR THIS SUDDEN SHIFT IN OFFICIAL ATTITUDES. ACCORDING TO LAB MIN SOURCE, MANY GOJ OFFICIALS, DISAPPOINTED OVER SHAPE OF FY-76 BUDGET AND PESSIMISTIC ABOUT JOB GENERATING EFFECTS OF AMOUNTS NOW EARMARKED FOR PUBLIC WORKS PROJECTS, BELIEVED HEIGHTENED PUBLIC CONCERN ABOUT UNEMPLOYMENT MAY PRESSURE FINANCE MINISTER INTO APPROVING A MORE GENEROUS OUTLAY IN SUPPLEMENTARY BUDGET. MORE LIKELY EXPLANATION IS GOJ DESIRE TO IMPRESS UPON LABOR UNIONS, PRIOR TO OPENING OF THIS YEAR'S SPRING WAGE NEGOTIATIONS, SERIOUSNESS OF UNEMPLOYMENT PROBLEM IN HOPES UNIONS WILL SETTLE FOR INCREASE OF TEN PERCENT OR LESS IN 1976. IN THIS REGARD, MAJOR BUSINESS ORGANIZATIONS EVEN MORE EXPLICIT IN ARGUING THEY CANNOT AFFORD GREATER LABOR COST BURDEN IN 76 SENCE THEY EXPECT MOST PLANTS WILL CONTINUE TO OPERATE AT SIGNIFICANTLY LESS THAN FULL CAPACITY.

4. GOJ OBVIOUSLY RUNNING POLITICAL RISK IN ADMITTING THAT IT HAS SERIOUS PROBLEM OF UNEMPLOYMENT ON ITS HANDS, PARTICULARLY IF ELECTIONS ARE HELD BEFORE LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 03 TOKYO 00778 200302Z

ECONOMIC RECOVERY UNDERWAY. NEVERTHELESS, NERVOUSNESS OF BUSINESS ORGANIZATIONS (WHO INCIDENTALLY ARE BIGGEST FINANCIAL CONTRIBUTORS TO RULING LDP) ABOUT ECONOMY'S RECOVERY PROSPECTS APPEARS TO HAVE BEEN DECISIVE ELEMENT IN SHAPING NEW OFFICIAL APPROACH ON UNEMPLOYMENT PROBLEM.
SHOESMITH

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PERSONAL OPINION, UNEMPLOYMENT, ECONOMIC CONDITIONS, LABOR UNION OFFICIALS
Control Number: n/a
Copy: SINGLE
Draft Date: 20 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976TOKYO00778
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760020-0653
From: TOKYO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760139/aaaabjbh.tel
Line Count: 112
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 TOKYO 566, 76 TOKYO 12767
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 21 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21 APR 2004 by BoyleJA>; APPROVED <13 MAY 2004 by morefirh>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: UNEMPLOYMENT SITUATION IN JAPAN
TAGS: ELAB, JA
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006